

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION**

**IN RE:**

**CITATION CORPORATION, et al.,<sup>1</sup>**

**Debtors.**

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**Chapter 11**

**Case No. 04-8130-TOM-11**

**(Jointly Administered)**

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**ORDER DEEMING UTILITY COMPANIES ADEQUATELY ASSURED OF FUTURE  
PERFORMANCE AND ESTABLISHING PROCEDURES FOR DETERMINING  
REQUESTS FOR ADDITIONAL ADEQUATE ASSURANCES PURSUANT TO  
BANKRUPTCY CODE § 366**

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This matter came to be heard upon the motion (the "Motion") of Citation Corporation ("Citation"), its holding company, and certain of its direct and indirect subsidiaries (the "Subsidiaries"), as debtors and debtors in possession (collectively, the "Debtors"), pursuant to § 366(b) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") for an order (i) deeming utility companies adequately assured of future performance, and (ii) establishing procedures for determining requests for additional adequate assurances pursuant to § 366, all as more fully set forth in the Motion. Upon consideration of the Affidavit of Charles P. Bloome in Support Chapter 11 Petitions and First Day Orders; the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and

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<sup>1</sup> In addition to the Citation Corporation, the Debtors include the following entities: (i) Citation Holding Company, (ii) Berlin Foundry Corporation, (iii) Bohn Aluminum, Inc., (iv) Castwell Products, Inc., (v) Citation Precision, Inc., (vi) HI-TECH, Inc., (vii) Iroquois Foundry Corporation, (viii) ISW Texas Corporation, (ix) Mansfield Foundry Corporation, (x) OBI Liquidating Corp., (xi) Texas Steel Corporation, (xii) TSC Texas Corporation, (xiii) Citation Aluminum, LLC, (xiv) Citation Castings, LLC, (xv) Citation Grand Rapids, LLC, (xvi) Citation Lake Zurich, LLC, (xvii) Citation Michigan, LLC, (xiii) Citation Wisconsin Forging, LLC, (xix) Citation Wisconsin, LLC, (xx) ITM Holding Co., LLC, (xxi) Interstate Southwest, Ltd., (xxii) Texas Foundries, Ltd., and (xxiii) MFC Liquidating Company, Ltd.

1334; due notice of the Motion having been provided to (1) the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama, Southern Division; (2) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' prepetition lenders; (3) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' proposed postpetition lenders; (4) the Debtors' twenty (20) largest unsecured creditors (on a consolidated basis); and (5) the District Director of Internal Revenue Service for the Northern District of Alabama; and it appearing that no other or further notice need be provided; the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; upon the Motion and all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefore, it is hereby

**ORDERED** that the Debtors are authorized to pay any unpaid prepetition amounts for Utility Services (as defined in the Motion) as same become due, provided that such payments shall not exceed \$7 million in the aggregate; and it is further

**ORDERED** that the Debtors are authorized to pay on a timely basis in accordance with their prepetition practices all undisputed invoices for postpetition Utility Services rendered by the Utility Companies (as defined in the Motion) to the Debtors; and it is further

**ORDERED** that any undisputed charge for Utility Services furnished by a Utility Company to the Debtors following the commencement of these cases shall constitute an administrative expense of the Debtors' chapter 11 cases in accordance with §§ 503(b) and 507(a)(1); and it is further

**ORDERED** that absent a further order of this Court, the Utility Companies are prohibited from altering, refusing, or discontinuing service to, or discriminating against, any of

the Debtors, or requiring the payment of a deposit or other security in connection with a prepetition invoice for Utility Services, including, but not limited to, the furnishing of gas, electric, water, telephone, trash removal, or any other utility of like kind, furnished to the Debtors; and it is further

**ORDERED** that the Debtors shall serve a copy of this Order and the Motion upon each of the Utility Companies by first-class mail within five (5) business days after entry hereof; and it is further

**ORDERED** that this Order is without prejudice to the rights of any Utility Company to request, within twenty (20) days from the date hereof, additional assurance in the form of deposits or other security, and the burden of proof shall remain unaffected by the entry of this order; and it is further

**ORDERED** that any Utility Company which does not timely request additional assurance shall be deemed to have adequate assurance under Bankruptcy Code § 366; and it is further

**ORDERED** that in the event that a Utility Company timely requests additional adequate assurance, which the Debtors believe to be unreasonable despite a reasonable period for discussion and negotiation, the Debtors shall file a Motion for the Determination of Adequate Assurance of Payment and request that this Court set such Determination Motion for a hearing (the "Determination Hearing") within twenty (20) days of receipt of the request for additional adequate assurance; and it is further

**ORDERED** that in the event a Determination Hearing is scheduled, the objecting Utility Company shall be deemed to have adequate assurance of payment pursuant to this Order unless

and until this Court enters a final order to the contrary resolving the Determination Hearing; and it is further

**ORDERED** that nothing in this Order shall be deemed to affect any burden of proof that either the Debtors or any Utility Company may have at the Determination Hearing; and it is further

**ORDERED** that the banks and financial institutions that process, honor and pay any and all checks on account of obligations to be paid pursuant to this Order are authorized to do so and may rely on the representations of the Debtors as to which checks are issued and authorized to be paid in accordance with this Order without any duty of further inquiry and without liability for following the Debtors' instructions; and it is further

**ORDERED** that the provider(s) of cellular telephone services shall not be deemed Utility Company, and no payments shall be made to provider(s) of cellular telephone services by the Debtors for any unpaid prepetition amounts; and it further

**ORDERED** that nothing in this Order or the Motion shall be deemed to constitute postpetition assumption or adoption of any agreement pursuant to Bankruptcy Code § 365.

Dated this the 20<sup>th</sup> day of September, 2004.

/s/ Tamara O. Mitchell  
**UNITED STATES BANKRUPTCY JUDGE**